

HOUSE BILL NO. 486

INTRODUCED BY B. BECK

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING REQUIREMENTS FOR MOTOR VEHICLE LIABILITY
5 INSURANCE; REQUIRING THAT THE DEPARTMENT OF JUSTICE BE NOTIFIED UPON CANCELLATION OF
6 A MOTOR VEHICLE LIABILITY POLICY BY THE INSURED OR THE INSURER; REQUIRING PROOF OF
7 MOTOR VEHICLE LIABILITY INSURANCE UPON REGISTRATION OF A MOTOR VEHICLE; PROVIDING
8 THAT NOTIFICATION RECEIVED BY THE DEPARTMENT OF JUSTICE CONSTITUTES REASONABLE
9 GROUNDS FOR LAW ENFORCEMENT TO STOP A VEHICLE; AND AMENDING SECTIONS 61-3-303 AND
10 61-6-301, MCA."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 NEW SECTION. **Section 1. Notification to department of insurance cancellation.** If the insurance
15 required by 61-6-301 is canceled by the insured or the insurer, the insurer shall, within 2 weeks of the
16 cancellation, notify the department of the cancellation.

17
18 **Section 2.** Section 61-3-303, MCA, is amended to read:

19 **"61-3-303. Original registration -- process -- fees.** (1) Except as provided in 61-3-324, a Montana
20 resident who owns a motor vehicle, trailer, semitrailer, or pole trailer operated or driven upon the public highways
21 of this state shall register the motor vehicle, trailer, semitrailer, or pole trailer in the office of the county treasurer
22 in the county where the owner permanently resides or, if the motor vehicle, trailer, semitrailer, or pole trailer is
23 owned by a corporation or used primarily for commercial purposes, in the county where the motor vehicle, trailer,
24 semitrailer, or pole trailer is domiciled.

25 (2) Except as provided in subsection (3), the county treasurer shall register any vehicle for which:

26 (a) as of the date that the motor vehicle, trailer, semitrailer, or pole trailer is to be registered, the owner
27 delivers an application for a certificate of title to the department, its authorized agent, or a county treasurer; or

28 (b) the county treasurer confirms that the department has an electronic record of title for the motor
29 vehicle, trailer, semitrailer, or pole trailer as provided under 61-3-101.

30 (3) (a) A county treasurer may register a motor vehicle, trailer, semitrailer, or pole trailer for which a

1 certificate of title and registration were issued in another jurisdiction and for which registration is required under
2 61-3-701 after the county treasurer examines the current out-of-jurisdiction registration certificate or receipt and
3 receives payment of the fees required in 61-3-701. The county treasurer may ask the motor vehicle, trailer,
4 semitrailer, or pole trailer owner to provide additional information, prescribed by the department, to ensure that
5 the electronic record of registration maintained by the department is complete.

6 (b) A county treasurer may register a motor vehicle, trailer, semitrailer, or pole trailer for which the new
7 owner cannot, due to circumstances beyond the new owner's control, surrender a previously assigned certificate
8 of title. The new owner may submit an application for certificate of title, subject to the registration renewal
9 limitations of 61-3-312.

10 (4) Upon registering a motor vehicle, trailer, semitrailer, or pole trailer for the first time in this state, the
11 county treasurer shall:

12 (a) update the electronic record of title, if any, maintained for the vehicle by the department under
13 61-3-101;

14 (b) assign a registration period for the vehicle under 61-3-311;

15 (c) determine the vehicle's age, if required, under 61-3-501;

16 (d) determine the amount of fees, including local option taxes or fees, to be paid under subsection (5);

17 and

18 (e) assign and issue license plates for the vehicle under 61-3-331.

19 (5) Unless otherwise provided by law, a person registering a motor vehicle shall pay to the county
20 treasurer:

21 (a) the fees in lieu of tax or registration fees as required for:

22 (i) a light vehicle under 61-3-321(2) or 61-3-562, in addition to, if applicable, any local option tax or fee
23 under 61-3-537 or 61-3-570;

24 (ii) a motor home under 61-3-321;

25 (iii) a travel trailer under 61-3-321;

26 (iv) a motorcycle or quadricycle under 61-3-321;

27 (v) a bus, a truck having a manufacturer's rated capacity of more than 1 ton, or a truck tractor under
28 61-3-321 and 61-3-529; or

29 (vi) a trailer under 61-3-321;

30 (b) a donation of \$1 or more if the person indicates that the person wishes to donate to promote

1 awareness and education efforts for procurement of organ and tissue donations in Montana to favorably impact
2 anatomical gifts; and

3 (c) a donation of \$1 or more if the person indicates that the person wishes to donate to promote
4 education on, support for, and awareness of traumatic brain injury.

5 (6) The county treasurer may not issue a registration receipt or license plates for the motor vehicle,
6 trailer, semitrailer, or pole trailer to the owner unless the owner makes the payments required by subsection (5).

7 (7) The department may make full and complete investigation of the registration status of the motor
8 vehicle, trailer, semitrailer, or pole trailer. A person seeking to register a motor vehicle, trailer, semitrailer, or pole
9 trailer under this section shall provide additional information to support the registration to the department if
10 requested.

11 (8) Revenue that accrues from the voluntary donation provided in subsection (5)(b) must be forwarded
12 by the respective county treasurer to the department of revenue for deposit in the state special revenue fund to
13 the credit of an account established by the department of public health and human services to support activities
14 related to awareness and education efforts for procurement of organ and tissue donations for anatomical gifts.

15 (9) (a) Except as provided in subsection (9)(b), the fees in lieu of tax, taxes, and fees imposed on or
16 collected from the registration of a travel trailer, motorcycle, or quadricycle or a trailer, semitrailer, or pole trailer
17 that has a declared weight of less than 26,000 pounds are required to be paid only once during the time that the
18 travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is owned by the same person who
19 registered the travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer. Once registered, a travel
20 trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is registered permanently unless ownership is
21 transferred.

22 (b) Whenever ownership of a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is
23 transferred, the new owner is required to register the travel trailer, motorcycle, quadricycle, trailer, semitrailer,
24 or pole trailer as if it were being registered for the first time, including paying all of the required fees in lieu of tax,
25 taxes, and fees.

26 (10) Revenue that accrues from the voluntary donation provided in subsection (5)(c) must be forwarded
27 by the respective county treasurer to the department of revenue for deposit in the state special revenue fund to
28 the credit of the account established in 2-15-2218 to support activities related to education regarding prevention
29 of traumatic brain injury.

30 (11) At the time of registration under this section, an owner of a motor vehicle shall provide to the county

1 treasurer proof of compliance with 61-6-301. The county treasurer may not issue a registration receipt or license
 2 plates for a motor vehicle unless that proof is provided."

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4 **Section 3.** Section 61-6-301, MCA, is amended to read:

5 **"61-6-301. Required motor vehicle insurance -- family member exclusion.** (1) (a) Except as provided
 6 in subsection (1)(b), an owner of a motor vehicle that is registered and operated in Montana by the owner or with
 7 the owner's permission shall continuously provide insurance against loss resulting from liability imposed by law
 8 for bodily injury or death or damage to property suffered by any person caused by maintenance or use of a motor
 9 vehicle in an amount not less than that required by 61-6-103, or a certificate of self-insurance issued in
 10 accordance with 61-6-143.

11 (b) Notwithstanding the mandatory motor vehicle liability insurance protection provided for in subsection
 12 (1)(a), nothing in this part may be construed to prohibit the exclusion from insurance coverage of a named family
 13 member in a motor vehicle liability insurance policy.

14 (2) A motor vehicle owner who prefers to post an indemnity bond with the department in lieu of obtaining
 15 a policy of liability insurance may do so. The bond must guarantee that any loss resulting from liability imposed
 16 by law for bodily injury, death, or damage to property suffered by any person caused by accident and arising out
 17 of the operation, maintenance, and use of the motor vehicle sought to be registered must be paid within 30 days
 18 after final judgment is entered establishing the liability. The indemnity bond must guarantee payment in the
 19 amount provided for insurance under subsection (1).

20 (3) Any bond given in connection with this section is a continuing instrument and must cover the period
 21 for which the motor vehicle is to be registered and operated. The bond must be on a form approved by the
 22 commissioner of insurance and must be with a surety company authorized to do business in the state.

23 (4) It is unlawful for a person to operate a motor vehicle upon ways of this state open to the public as
 24 defined in 61-8-101 without a valid policy of liability insurance in effect in an amount not less than that required
 25 by 61-6-103 unless the person has been issued a certificate of self-insurance under 61-6-143, has posted an
 26 indemnity bond with the department as provided in this section, or is operating a vehicle exempt under 61-6-303.

27 (5) Notification received by the department under [section 1] constitutes reasonable grounds for a law
 28 enforcement entity to stop a vehicle to verify compliance with this section."

29

30 NEW SECTION. **Section 4. Codification instruction.** [Section 1] is intended to be codified as an

1 integral part of Title 61, chapter 6, part 3, and the provisions of Title 61, chapter 6, part 3, apply to [section 1].

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